

# EMPLOYER BULLETIN

## No Contribution Rate Increases in Fiscal Year 2004-05

July 2004

The General Assembly recently passed legislation to continue the Teacher Retirement Insurance Program (TRIP) beyond June 30, 2004. Public Act 93-0679, signed into law on June 30, 2004, includes no active member and employer THIS Fund contribution rate increases for the 2004-05 school year. For 2004-05, THIS Fund contribution rates will remain as follows:

- The member THIS Fund contribution is 0.75 percent of creditable earnings.
- The employer THIS Fund contributions is 0.50 percent of creditable earnings.

For the 2005-06 school year, the member THIS Fund contribution rate will increase from 0.75 percent to 0.80 percent. The employer THIS Fund contribution rate will increase from 0.50 percent to 0.60 percent.

### THIS Fund contributions

	2004-05	2005-06
<b>Member THIS Fund contribution</b>	0.75%	0.80%
<b>Employer THIS Fund contribution</b>	0.50%	0.60%

Beginning with the 2007-08 school year, the member and employer THIS Fund contributions will be determined by the Department of Central Management Services.

### Future contribution limits

The legislation limits future contribution increases to 5 percent for all funding sources (active teachers, school districts, TRIP participants and the state of Illinois) in school year 2007-08 and beyond. All four funding sources must increase by the same percent in school year 2007-08 and beyond.

### No expiration date for TRIP

The new law states that TRIP no longer has an expiration date that could result in repeal of the program. A commission will be created to develop a long-term solution for the plan.

### Questions

If you have questions please contact the Accounting Department at (888) 877-0890, option 2.